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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Office of the City Auditor
Seattle, Washington

We have applied the procedures enumerated within this report, which were agreed to by the Office of the City Auditor, solely to assist the users in evaluating management's assertion about the Filipino Community of Seattle's compliance with contractual requirements of the Filipino American Youth Media Production Grant issued by the Seattle Department of Housing and Human Services beginning July 17, 1995 and ending December 31, 1996. This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described therein either for the purpose for which this report has been requested or for any other purpose.

Our procedures were the review of accounting and program records to determine whether the Filipino Community of Seattle complied with the terms and conditions of the attached Filipino American Youth Media Production Grant.

One reportable condition was noted during our review which related to the purchase of equipment. Details on finding are attached to this report. No additional reportable conditions were noted as a result of applying the agreed upon procedures.

These agreed-upon procedures do not constitute an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information of the specified users listed above and should not be used by those who did not participate in determining the procedures. However, this report is a matter of public record and its distribution is not limited.

Kraght Snell

Seattle, Washington
November 26, 1997

Contract: Filipino American Youth Media Program

City Department: Department of Housing & Human Services

Finding Title: Contractual Requirements for Acquired Property Was Not Followed

Contract Requirement

Section 260, "Title to Property Acquired", requires that property purchased with City grant funds and valued over \$350 with a useful life of over one year:

1. Be marked as property of the City;
2. Have an inventory card in duplicate which is forwarded within five days to the City;
3. Be forwarded to the City at its request upon contract completion; and
4. Be used only for program purposes.

In addition, the contract clearly stated the grant is for producing a bi-weekly radio program.

Condition

With City grant money, the Filipino Community of Seattle purchased a camcorder and ancillary equipment totaling \$711.90. This purchase violates contractual requirements for acquired property as:

1. The equipment was purchased the last month of the contract (December 1996). The contract started in July 1995. All but one of the radio shows were completed by this time. The property was not used for program purposes, (production of bi-weekly radio show);
2. The camcorder was not marked as City property;
3. An inventory card was not forwarded to the City; and
4. The camcorder was not returned to the City.

Recommendation

The Department of Housing & Human Services should instruct the Filipino Community of Seattle to refund the prior reimbursement of \$711.90 or to return the camcorder to the City for future use.

Response from Department of Housing & Human Services

To be provided directly to the City Auditor's Office.